

Implementing A-76 Competitions

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Lessons Learned From DoD Experiences

As part of the Outsourcing Options study, N4 asked CNA to look across the services and DoD agencies to evaluate different practices and lessons learned in implementing A-76 procedures [1, 2]. Earlier work suggested that big savings are possible if the Navy chooses to start large-scale competitions. Since OMB is revising-rather than withdrawing-its A-76 policies, CNA focused on how the process could be streamlined to maximize savings.

Findings

- **The existing process has yielded large, permanent savings**
 - 30% savings, on average
 - In-house bidders win about half the time
- **The question is how to make the process more user-friendly**
 - Build on successes and avoid pitfalls
- **Incentives are the most important part of the process**
- **Process should be equitable**
 - Promote fair comparisons between public and private
 - Ease the transition for in-house workers

We have focused on how to improve a cumbersome process, but it's important to remember that the existing process has yielded real and permanent savings [3, 4]. The goal is to make the process easier to use (while ensuring fairness) so that even greater savings can be realized.

Incentives are the most important part of the process, but they are easy to overlook. Many of the rules and procedures have been used as foils by reluctant base managers. Base managers may be reluctant because the local sites do not get to keep the savings and they must endure a disruptive process and sacrifice resources for the study. Letting local sites keep a fraction of the savings for a limited time could do as much to streamline the process as many of the other actions we propose. Base managers must have the incentive, as well as the tools, to maximize efficiency.

Summary

- **Evidence**
- **Top-level actions**
- **Streamlining the process**
- **Best contracting practices**
- **Working with workers**

In this brief, we first review the evidence of competition savings found across DoD. We then discuss what role senior Navy leadership can play in easing implementation, as well as specific ways to streamline the process. We also suggest best contracting practices. Finally, we touch on employee transition issues.